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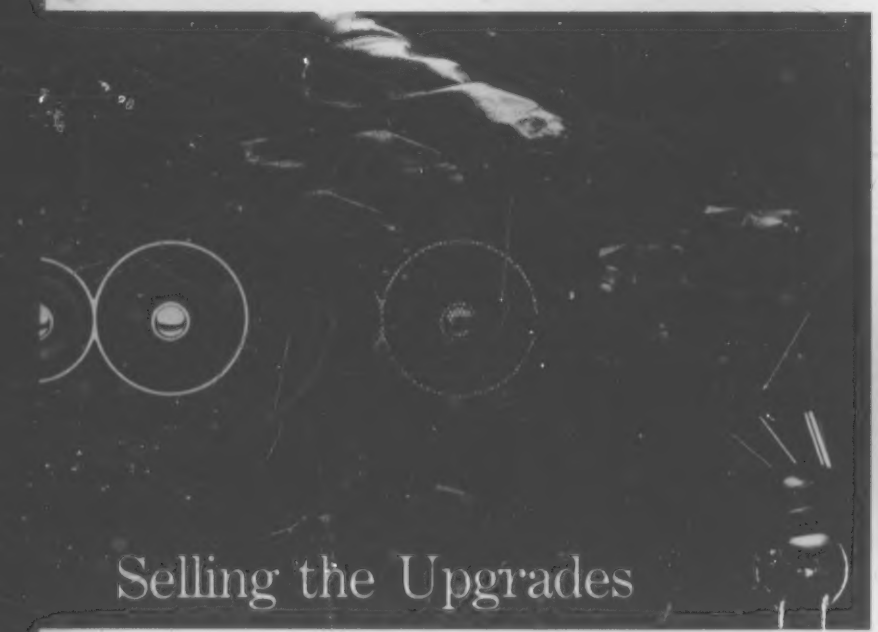
Dealerscope Merchandising

The Marketing Magazine for Consumer Electronics and Major Appliance Retailing



Selling the Upgrades

VSDA: New Strategies, New Officers

The Year of Stereo TV: Retailers Sound Off on the MTS Market

Compacts: Profit Prospects From Any Angle

October 1986 Vol. 28, No. 10

Dealerscope Merchandising

The Marketing Magazine for Consumer Electronics and Major Appliance Retailing

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(Cover photo for Mobile Electronics section courtesy of Jensen; compact appliance courtesy of Owens Corning Fiberglas; stereo TV courtesy of Zenith.)

PEOPLE ON THE MOVE

Jerry Kalov becomes CEO of Dynascan Corp. He succeeds **Carl Korn** who will continue as active chairman.

Sharp Electronics names **Keizo Okuda** executive vice president.

Apple Computer appoints **Delbert Yocam** to the new position of executive vice president, COO.

Joseph Boyle resigns as SPACE communications vice president to join Showtime/Movie Channel as business development director.

Andre Blay resigns as chairman/CEO of Embassy Home Entertainment as part of an undiscolosed out-of-court settlement with new owner Coca-Cola.

Alan Czeizler fills the new position of sales director at STC Telecorp, a division of Soundesign Corp. Czeizler is responsible for directing the sales of audio/video storage cases and new product development. Czeizler had

Fox

Knight

been with Canon USA.

Canon USA names **Robert Brill** to succeed Czeizler as national sales manager, video division. **Paul Fox** becomes national sales manager of dealer sales for the copier products division.

Coast Manufacturing appoints **Floyd Barker** director of advertising.

Stewart Austin becomes director of sales and **Kevin Padach** marketing manager for Epson America's newly formed Consumer Electronics Division (CED).

Altec Lansing appoints **Vic Orler** national sales manager of consumer products. **David Anchel** becomes marketing coordinator of consumer products.

Susan Blaco joins Clarion Corp. as marketing services manager.

Konica U.S.A. names **William Reilly** general manager of sales for the Konica professional and consumer products division.

Sparkomatic appoints **Robert Knight** national sales manager. **James Minarik** becomes vice president of sales.

Bush Industries appoints **Al Silverberg** to the new position of national sales manager, in charge of all distribution channels.

CBS/FOX Video promotes **Mitch Horwits** to group vice president, programming and

Silverberg

Horwits

acquisitions.

Robert Cook becomes executive vice president and general manager of Continental Video.

Prism Entertainment names **Joseph Petrone** director of sales.

Vallery Kountze, vice president of RCA/Columbia and general manager of the mass merchant operation resigns due to reorganization.

STAT WATCH

TOTAL U.S. MARKET STATISTICS
Sales to Retailers
July 1986 vs. July 1985
(In Units)

	July 1986	July 1985	Percent Change	Year-to-date 1986	Year-to-date 1985	Percent Change
TELEVISION						
Color	1,248,453	1,160,413	+ 7.6	9,361,894	8,785,107	+ 6.6
Monochrome	285,694	246,576	+15.9	2,030,650	1,931,479	+ 5.1
TOTAL TV*	**1,534,147**	**1,406,989**	**+ 9.0**	**11,392,544**	**10,716,586**	**+ 6.3**
Projection TV	18,948	14,389	+31.7	143,768	117,839	+22.0
Home VCR	832,708	844,792	– 1.4	6,549,270	5,719,967	+14.5
Camcorders**	95,656	22,626	+322.8	486,585	105,169	+362.7

Information contained in this release reflects total market statistics for products produced and/or sold in the United States regardless of the brand name or country of origin.

*Excludes projection television
**Included in Home VCR
Source: Electronics Industries Association Consumer Electronics Group.

Major Appliance

HIGH VOLUME MARKETING

Major Appliance "Consumer Buying Power" Grows

	1970		1985		
	Average Retail Value*	Hours to Earn**	Average Retail Value*	Hours to Earn**	% Decrease in Hours to Earn
Room Air Conditioners	$205	61.2	$443	46.6	-23.9%
Dehumidifiers	79	23.6	181	19.1	-19.1
Dishwashers	220	65.7	403	42.4	-35.5
Disposers	65	19.4	115	12.1	-37.6
Freezers	222	66.4	479	50.3	-24.2
Electric Ranges	229	68.3	472	49.5	-27.5
Refrigerators	274	81.8	702	73.7	-9.9
Automatic Washers	239	71.3	454	47.7	-33.1
Electric Dryers	169	50.5	352	37.0	-26.7
Gas Dryers	194	57.9	379	39.8	-31.3

*Based on Merchandising Magazine Annual Statistical Report for 1970 and Dealerscope Merchandising Annual Statistical Report for 1985.

**Based on U.S. Department of Labor, Bureau of Labor Statistics Data: Average hourly earnings of Production Workers, Private Manufacturing in 1970 was $3.35 and in 1985 was $9.52.

ILLUSTRATION / A. CEDRONE

Fewer Work Hours Needed to Buy Majaps

Prices are higher today than they were in 1970, but it takes the average consumer fewer hours today to earn what it costs to buy major appliances, according to the Assoc. of Home Appliance Manufacturers.

Wage increases in the U.S. workforce apparently outpaced price increases in the appliance industry. AHAM bases its figures on the fact that the average hourly wage of production workers rose from $3.35 in 1970 to $9.52 in 1985.

Spotty Sales for Room Air

DESPITE blistering heat and drought in some regions, sales of room air conditioners were about average for the season.

Some of the major makers hold different views on how the season shaped up.

In the drought-stricken Southeast, sales were very good, but it is not a very big room air market, reports Tom Murray, sales vice president, Emerson Quiet Kool.

With most of the season's sales reported, they were below average in the Northeast, "pretty good" in the mid-Atlantic region, better than average in the Midwest, late in developing in the Southwest and poor in southern California. The season runs longer in the West, and the industry was hoping for additional sales there to boost the bottom line.

Law To Freeze Energy Standards

FEDERAL legislation has been introduced to provide uniform energy efficiency standards for major appliances nationwide by 1990, superceding state regulations already in effect in some states and planned in several others.

The new law promises to heal the damaging effects of state restrictions on retail sales of room air conditioners particularly in California and New York.

The National Appliance Energy Conservation Act would lock in standards for five years, beginning in 1988 for dishwashers, washers and dryers. Standards for refrigerator/freezers, room air, gas ranges and ovens begin in 1990.

After the five-year period, stricter standards could be imposed by the Department of Energy, pending the manufacturers' ability to comply.

PEOPLE ON THE MOVE

Charles Proctor, vice president of sales and distribution, becomes head of KitchenAid's new distribution system. Four general managers report to Proctor: **Thomas Chapman**, central zone; **Greg Friss**, eastern zone; **Don Hassinger**, southern zone; **Mike Dissinger**, western zone.

Thermador/Waste King promotes **Bob Woods** to the

Woods

Kaczmarek

new position of senior product manager, in which he is responsible for marketing major kitchen products. The company also names **Bert Cohen** and **DeWayne McCormick** as its two California district managers.

Speed Queen names **Thomas Kaczmarek** as director of marketing. **Jeff Brothers** becomes director of home laundry sales.

Caloric Corp. appoints **Tom McNeill** regional service manager of its mid-Atlantic region.

Bradford Chaffee becomes Frigidaire's central region manager. He succeeds **E.J. Hawkes** who retires after 44 years of service.

Whirlpool Leasing Services, Inc., announces plans to establish an insurance financing division. **Eric Lindblom** becomes staff vice president; **Joseph Shockey** joins the division as general manager.

STAT WATCH

MAJOR HOME APPLIANCE FACTORY SHIPMENTS THOUSANDS OF UNITS
(Domestic Plus Export)
July, 1986

	July 1986	July 1985	Percent Change	Calendar Year to Date 1986	1985	Percent Change
ALL MAJOR APPLIANCES	**3,984.6**	**3,300.9**	**+20.7**	**26,000.2**	**25,078.4**	**+ 3.7**
COOKING — TOTAL	**1,158.5**	**972.3**	**+19.2**	**8,346.8**	**7,683.8**	**+ 8.6**
Electric Ranges — Total	282.9	261.3	+ 8.3	1,667.1	1,760.7	+ 6.0
Free Standing	231.4	213.8	+ 8.2	1,530.5	1,433.8	+ 6.7
Built-In	51.5	47.5	+ 8.4	336.6	326.9	+ 3.0
Microwave Ovens/Ranges	891.7	727.2	+22.6	6,586.3	6,041.1	+ 9.0
HOME LAUNDRY — TOTAL	**879.3**	**719.6**	**+22.2**	**5,530.9**	**5,237.5**	**+ 5.6**
Automatic Washers	521.1	421.8	+23.5	3,216.0	3,055.4	+ 5.3
Dryers — Total	358.2	297.8	+20.3	2,314.9	2,182.2	+ 6.1
Electric	280.9	235.4	+19.3	1,815.8	1,725.1	+ 5.3
Gas	77.3	62.4	+23.9	499.1	457.1	+ 9.2
KITCHEN CLEAN UP — TOTAL	**634.2**	**595.7**	**+ 6.5**	**4,683.9**	**4,496.3**	**+ 4.2**
Disposers	296.1	275.4	+ 7.5	2,394.7	2,368.2	+ 1.1
Dishwashers — Total	323.1	306.6	+ 5.4	2,179.1	2,028.5	+ 7.4
Built-In	304.6	286.7	+ 6.2	2,046.6	1,887.3	+ 8.4
Portable	18.4	19.9	- 7.5	132.4	141.2	- 6.2
Compactors	15.0	13.8	+ 8.7	110.1	99.6	+10.5
FOOD PRESERVATION — TOTAL	**888.2**	**816.8**	**+ 8.7**	**4,565.3**	**4,348.6**	**+ 5.0**
Refrigerators	729.6	668.1	+ 9.2	3,814.7	3,593.1	+ 6.2
Freezers — Total	158.6	148.7	+ 6.7	750.6	755.5	- 0.7
Chest	84.8	76.6	+10.7	406.2	393.2	+ 3.3
Upright	73.8	72.1	+ 2.4	344.4	362.3	- 4.9
HOME COMFORT — TOTAL	**424.4**	**196.4**	**+116.1**	**2,873.1**	**3,312.2**	**-13.3**
Room Air Conditioners	361.4	171.0	+111.4	2,425.0	2,764.5	-12.3
Dehumidifiers	63.0	25.4	+148.0	448.1	547.7	-18.2
GAS RANGES	**115.8**	**109.4**	**+ 5.9**	**1,060.3**	**974.7**	**+ 8.8**

Source: AHAM